
OLR Bill Analysis

sSB 1044

AN ACT CONCERNING THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY.

SUMMARY:

The law allows the Connecticut Health and Educational Facilities Authority (CHEFA) to establish a special capital reserve fund (SCRF) to finance up to \$100 million in equipment for participating health care institutions (e.g., hospitals) at the discretion of the treasurer and Office of Policy and Management secretary. This bill allows the SCRF to also finance certain capital projects at such institutions. These include (1) buildings for hospitals; clinics; laboratories; laundries; employee and student housing; administration; research; and maintenance, storage, and utility facilities, including parking and (2) installation and any building renovations or alterations needed for any of these purposes.

SCRF-backed bonds are contingent liabilities of the state; if a SCRF is exhausted, the General Fund automatically replenishes it, regardless of the state spending cap. By law, CHEFA cannot issue bonds secured by a SCRF unless it determines that project revenues are sufficient to (1) pay the bonds' principal and interest; (2) establish, increase, and maintain any reserves it deems advisable to secure principal and interest payments; (3) pay the project's maintenance and insurance costs; and (4) pay other required project costs.

EFFECTIVE DATE: July 1, 2013

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/26/2013)